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Chinese and U.S. Trade Relations

On Tuesday, September 19, the U.S. Senate granted Permanent Normal Trade Relations (PNTR) to China. PNTR means that Chinese companies will receive the same low-tariff access to the U.S. market as other nations.

"It is estimated that Permanent Normal Trade Relations will lead to several billion dollars per year in increased farm exports over the next decade. While there are no miracle answers to the problems our farmers are facing, this newly expanded trade relationship with China should be a powerful boost for farm exports and farm income" said Secretary Glickman after passage by the Senate, 83-15.

Most business and farm groups supported the legislation. American farm exports could increase an estimated \$2 billion a year. Imports of U.S. agricultural products into Shanghai surged after the WTO entry agreement between China and U.S. was signed.

PNTR will come into effect once China becomes a member of the World Trade Organization (WTO), which could be approved by the end of this year. China still needs to sign bilateral trade deals with Mexico and Switzerland. A formal meeting of the WTO working party on Chinese accession is scheduled for September 28, 2000, at which point trade officials will review progress made this far and schedule any further talks that need to be conducted. It is expected that both China and Taiwan will be admitted to the WTO at the same time.

Source: BRIDGES Weekly Trade News Digest, USDA and various news sources

JAPANESE POWDERED EGG IMPORTS (IN TONS)

	Whole Eggs	Powdered Yolks	Powdered Albumen	Total
1999				
January	200.2	269.1	912.5	1,381.8
February	201.6	251.3	566.2	1,019.1
March	233.3	121.9	740.6	1,095.8
April	249.6	175.8	881.1	1,306.5
May	130.9	136.0	874.5	1,141.4
June	164.4	53.3	809.7	1,027.4
1999 To-Date	1,180.0	1,007.4	4,784.6	6,972.0
2000				
January	230.1	139.3	861.1	1,230.5
February	132.3	64.2	811.5	1,008.0
March	187.9	192.1	805.4	1,185.4
April	227.9	133.3	801.7	1,162.9
May	267.4	214.6	787.6	1,269.6
June	175.2	149.7	776.4	1,101.3
2000 To-Date	1,220.8	893.2	4,843.7	6,957.7

Source: ALIC Monthly Statistics

China Poultry and Poultry Products

China is the world's second largest producer of poultry and the world's largest poultry market. Although China's poultry industry probably will not repeat the rapid growth of the mid 1980s to mid 1990s, it will still likely grow 2 or 3 percent per year in the future.

Poultry meat imports in the first half of 2000 increased 29 percent by volume and 33 percent by value due to Chinese economic growth. The average poultry meat import price increased 4 percent to US\$540 per MT. The United States remained China's largest poultry supplier, accounting for 78 percent of the import market. Canada became the second largest supplier by capturing 4 percent of the import market, followed by Thailand, the United Kingdom and Argentina. Brazil, which was the second largest supplier two years ago, has almost withdrawn from the Chinese market and become a vigorous competitor in Japan and other Asian markets.

Poultry meat exports increased 14 percent by volume and 2.4 percent by value. Japan remains China's largest export market, having received 72 percent of China's exports during the first six months of 2000. The smaller increase in export value was caused by lower export prices and competition from Brazil and Thailand. China is still a net importer on a volume basis and a net exporter on a value basis. China's accession to the WTO will open export markets such as the EU and assure the import of low priced feed which will also stimulate exports while at the same time lowering China's poultry import tariffs. This should lead to increased poultry trade. China's anti-smuggling campaign has been somewhat effective.

A comparison of Hong Kong Re-Export (to China) data and China Customs import data showed that through May of 2000, direct imports of poultry meat and broiler meat exceeded re-exports from Hong Kong by 4 percent and 5 percent, respectively. 1999 was the first year that direct imports and Hong Kong re-exports were nearly equal in volume. Before 1999, direct imports were much less than Hong Kong re-exports.

Saudi Arabia

Saudi broiler production for 2000 has been revised downward 16 percent from 462,000 metric tons to 388,000 metric tons based on data provided by the Saudi Ministry of Agriculture and Water (MAW). The forecast for next year calls for an increase of about 6 percent in local poultry production. Broiler chicken imports in 1999 increased by 81,000 metric tons compared to 1998 (290,000 mt in 1998 vs. 371,000 in 1999). The main reasons for the increased imports are the New Castle disease local producers have been facing and the drastic price reduction in imported Brazilian and French chicken.

Brazil has been the leading supplier of frozen broilers to the Kingdom for the past several years, followed by France and China (for deboned chicken). The United States is a distant 4th. The importers have indicated that the lower whole chicken prices are reducing demand for chicken leg quarters as institutional customers that used to buy leg quarters are now buying whole chickens at very competitive rates.

Source: USDA/Foreign Agricultural Service

Inspected Egg Products-U.S. & Canada Export/Import Trade
U.S. Exports to Canada, in Pounds (000) (Preliminary)

Week Ending Sep 16, 2000	2000	1999/1	Year-To-Date 2000	1999
Liquid	101	343	5,118	10,115
Frozen	0	0	126	6
Dried	43	0	419	464
Total	144	343	5,663	10,585

U.S. Imports From Canada, in Pounds (000) (Preliminary)

Week Ending Sep 16, 2000	2000	1999/1	Year-To-Date 2000	1999
Liquid	41	32	4,037	3,437
Frozen	48	5	657	360
Dried	47	0	701	166
Total	136	37	5,395	3,963

Inspected Shell Eggs**U.S Exports To Canada, in 30-Dozen Cases (Preliminary)**

Week Ending Sep 16, 2000	2000	1999/1	Year-To-Date 2000	1999
Jumbo	138	93	1,743	1,091
Extra Large	850	2,915	36,588	30,315
Large	5,157	3,233	105,231	99,005
Medium	660	750	25,479	36,560
Ungraded	8,250	22,560	277,894	448,623
Misc	0	0	9,387	6,978
Total	15,055	29,551	456,322	622,572

/1 Comparable Week, to-date figures may not total due to rounding.

Source: USDA/AMS Poultry Programs, Market News Branch in cooperation with Agriculture Canada, Poultry Development Division.

CENTRAL REGION PRICES NEGOTIATED FOR MECHANICALLY SEPARATED CHICKEN IN TRUCKLOT AND LESS THAN TRUCKLOT VOLUMES, CENTS PER POUND FOR DELIVERY WITHIN TWO WEEKS. 22-SEP-00

CHICKEN PRICES

	-----FROZEN-----	-----FRESH-----
FAT	FOB DELIVERED	FOB DELIVERED
CONTENT	DOCK	DOCK
15% OR LESS		
RANGE	-	-
WTD AVERAGE		

0 pounds, this includes 0 pounds for export shipment.

CHICKEN PRICES, WITH ADDED SKIN

15% OR LESS				
RANGE	17.00-20.00	-	16.00	16.00
WTD AVERAGE	18.50		16.00	16.00
155,400 pounds, this includes 0 pounds for export shipment.				
15-20%				
RANGE	15.00-19.00	17.00-22.00	11.00-15.00	14.00-15.50
WTD AVERAGE	17.00	19.50	11.99	14.68
1,188,200 pounds, this includes 448,800 pounds for export shipment.				
20% OR MORE				
RANGE	-	-	-	-
WTD AVERAGE				

0 pounds, this includes 0 pounds for export shipment.

* INCLUDES THE FOLLOWING STATES: AL, AR, IA, IL, IN, KS, KY, LA, MI, MN, MO, MS, ND, NE, OK, OH, SD, TN, TX, WI

LIVE POULTRY SLTRD UNDER INSPECTION W/E 16-Sep-00
(PRELIMINARY)**U.S. FOWL SLAUGHTERED DOMESTICALLY**

	LIGHT HENS	HEAVY HENS	TOTAL HENS
	THOUSANDS		
HEAD	1,813	1,570	3,383
LAST WEEK	1,489	1,296	2,785
SAME WEEK YR AGO	2,014	1,484	3,498
TO-DATE/2000	71,352	53,194	124,546
TO-DATE/1999	78,122	51,119	129,241

U.S. FOWL SLAUGHTERED IN CANADA

	LIGHT HENS	HEAVY HENS	TOTAL HENS
	THOUSANDS		
HEAD	401	0	401
LAST WEEK	235	20	255
SAME WEEK YR AGO	409	0	409
TO-DATE/2000	17,241	291	17,532
TO-DATE/1999	17,446	199	17,645

SOURCE: AGRICULTURE CANADA, POULTRY DEVELOPMENT DIVISION

**TOTAL U.S. FOWL SLAUGHTERED
IN THE U.S. AND CANADA**

	LIGHT HENS	HEAVY HENS	TOTAL HENS
	THOUSANDS		
HEAD	2,214	1,570	3,784
LAST WEEK	1,724	1,316	3,040
SAME WEEK YR AGO	2,423	1,484	3,907
TO-DATE/2000	88,593	53,485	142,078
TO-DATE/1999	95,568	51,318	146,886

EASTERN REGION PRICES NEGOTIATED FOR MECHANICALLY SEPARATED CHICKEN IN TRUCKLOT AND LESS THAN TRUCKLOT VOLUMES, CENTS PER POUND FOR DELIVERY WITHIN TWO WEEKS. 22-SEP-00

CHICKEN PRICES

	-----FROZEN-----	-----FRESH-----
FAT	FOB DELIVERED	FOB DELIVERED
CONTENT	DOCK	DOCK
15% OR LESS		
RANGE	-	17.00-18.00
WTD AVERAGE		17.54

520,000 pounds, this includes 0 pounds for export shipment.

CHICKEN PRICES, WITH ADDED SKIN

15% OR LESS				
RANGE	15.00-17.25	17.50-21.00	-	17.00
WTD AVERAGE	16.26	18.14		17.00
972,000 pounds, this includes 352,000 pounds for export shipment.				
15-20%				
RANGE	13.00-17.00	17.00	13.00-14.00	14.00-15.00
WTD AVERAGE	15.80	17.00	13.50	14.33
1,262,000 pounds, this includes 302,000 pounds for export shipment.				
20% OR MORE				
RANGE	-	-	-	12.75
WTD AVERAGE				12.75

200,000 pounds, this includes 0 pounds for export shipment.

INCLUDES THE FOLLOWING STATES: CT, DE, FL, GA, MA, MD, ME, NC, NH, NJ, NY, PA, RI, SC, VA, VT, WV

NATIONAL YOUNG TURKEY PARTS AND BULK MEAT

FROZEN (UNLESS SPECIFIED), CENTS PER LB., DELIVERED FIRST RECEIVERS, PART AND FULL TRUCKLOTS

SEPTEMBER 22, 2000

White meat trade sentiment was generally steady to firm with breast meat and tenderloins the strongest. The dark meat undertone was steady to fully steady with drums and thigh meat the strongest. Meat demand was fair to good with both domestic and exports helping to drive some dark meat items (including drums). Rib breast trade sentiment steady to fully steady on all sizes. Rib breast inquiry was light to moderate. Trading light on plant grade 4-8 lb. breasts with no net at 101 cents delivered mid-October. Offerings of 4-8 lb. breasts uneven and ranging from short to light. Some have noted offerings of institutional breasts being held in firmer hands and 10-12 lb. sizes especially tight. Domestic trading light. Fresh whole tenderloins traded at 145 cents delivered. Export trading centered on a moderately heavy volume of tom drums, balance light. Some defatted gizzards traded at 71 cents delivered port.

FRIDAY, SEPTEMBER 22, 2000**EXPORT TRADING**

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)	WEEKLY WTD AVG PRICE	WEEKLY VOLUME (000)
DRUMSTICKS, TOMS	30.00-31.00		30.18	572	30.55	1,156
WINGS FULL-CUT - TOMS						
WINGS, V-TYPE, TOM						
TAILS						
MECHANICALLY SEPARATED 2/		W	18.00	80	18.13	160
THIGH MEAT - FROZEN	63.00		63.00	156	63.34	596

THURSDAY, SEPTEMBER 21, 2000**EXPORT TRADING**

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)
DRUMSTICKS, TOMS	30.00-34.00		31.94	264
WINGS FULL-CUT - TOMS				
WINGS, V-TYPE, TOM				
TAILS				
MECHANICALLY SEPARATED 2/		W	18.00	80
THIGH MEAT - FROZEN	62.00		62.00	120

WEDNESDAY, SEPTEMBER 20, 2000**EXPORT TRADING**

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)
DRUMSTICKS, TOMS	30.50		30.50	200
WINGS FULL-CUT - TOMS		W	22.25	104
WINGS, V-TYPE, TOM				
TAILS				
MECHANICALLY SEPARATED 2/	18.00		18.00	80
THIGH MEAT - FROZEN	65.00-66.00		65.50	80

TUESDAY, SEPTEMBER 19, 2000**EXPORT TRADING**

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)
DRUMSTICKS, TOMS	30.00		30.00	40
WINGS FULL-CUT - TOMS		W	22.25	104
WINGS, V-TYPE, TOM				
TAILS				
MECHANICALLY SEPARATED 2/	18.00-18.50		18.25	80
THIGH MEAT - FROZEN		M	63.50	240

MONDAY, SEPTEMBER 18, 2000**EXPORT TRADING**

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)
DRUMSTICKS, TOMS	29.00		29.00	80
WINGS FULL-CUT - TOMS		W	22.25	104
WINGS, V-TYPE, TOM				
TAILS				
MECHANICALLY SEPARATED 2/		R	17.00	40
THIGH MEAT - FROZEN	63.00-64.00		63.50	240

1/ CODES FOR LAST SIGNIFICANT TRADE (L.S.T.): M=MONDAY T=TUESDAY W=WEDNESDAY R=THURSDAY F=FRIDAY

2/ Product contains 15-20% fat with skin added.

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